

## **Challenges Arise due to Multicultural Workforce Diversity and Impairing Efficiency and Effectiveness**

**PRIYANKA NEMA**

Assistant Manager HRM,  
CRIM Institute of Management, Bhopal, M. P., INDIA.  
Seoul South Korea

### **ABSTRACT**

The world's increasing globalization requires more interaction among people from diverse cultures beliefs and backgrounds than ever before. People no longer live and work in an insular market place they are now part of a worldwide economy with competition coming from nearly every continent. Positive attributes of cultural integration in business organizations have received fair and significant attentions in the past two decades what have not been sufficiently presented are the challenges and pitfalls inherent in the management of culturally diverse workgroups. For the practicing manager, there is a need to know when and where mono and multicultural arrangements may be preferred. This paper with relevant findings reviews the challenges arise in managing the multicultural workforce and managed it effectively.

**Keywords:** Diversity, Cultural diversity, Multicultural workforce diversity.

### **INTRODUCTION**

The new millennium is bringing greater diversity challenges to organization leaders who have to question their assumptions about past diversity initiatives and examine alternative change process that Incorporate the true instruments of change. The people who work in the organization generally provoke a discussion of valuing and managing diversity in this new millennium and world order. 'Diversity is generally denoted as acknowledging understanding, accepting, valuing and celebrating differences among people with respect to age, class, ethnicity, gender, physical and mental ability, race, sexual

differences, spiritual practices and public image. Diversity not only involves how people perceive themselves but how they perceive others'<sup>1</sup>. Those perceptions affect their interactions with a wide assortment of employees who function effectively as an organization. Human resource professionals need to deal effectively with such issues as communication adaptability and their behavioral change with time, place and situations. Supervisors and Managers could benefit from reading this paper. Supervisors and managers are the targeted audience because they need to recognize the ways in which the workplace is changing, evolving and diversifying.

## REVIEW OF LITERATURE

The concept of diversity encompasses acceptance and respect. It means understanding that each individual is unique, and recognizing our individual differences (Hong Tran 1999)<sup>2</sup> after the deliberate introduction of diversity “its challenges benefits and managerial tools were pointed out by KelliAGreen, Mayra lopez, Allen wysocki and karl kepner ( June 2002)<sup>3</sup> With a diverse workforce, there arises a need for new management strategies which require organization leaders and managers to know the differences among their employees and to know how to handle situations involving these differences. “Managing workforce diversity can be enhanced by cooperation in organization” Aparna joshi and susan E Jackson<sup>4</sup> In other way “Diversity is a challenge as well as an opportunity which can have negative and a positive influence on your organization was emphasized by Miriam Vaughn-lee, vaughlee & Associates<sup>5</sup> in his research. “A supervisor guide to managing a diverse workforce” Once we understood the concepts challenges and benefits then we will analyze to understand the managing of cultural diversity implications or organization effectiveness and emotions (Romano 1995)<sup>6</sup>.

## RESEARCH DESIGN AND METHODOLOGY

Objectives of the study can be mapped out as:-

1. To study the Human Resource Management (HRM) principles practices and procedures adopted in facing the challenges arising due to multicultural workforce diversity.
2. To examine and compare the HRM philosophy of multinational corporations in India and Korea.
3. To understand the nature and level of diversity in companies and their impact on the production and productivity of individual or organization.

4. To evaluate the challenges of workplace diversity relating to efficiency and effectiveness of the organization to make it global.
5. To suggest measures by mollifying the adverse impact of workplace diversity and promote harmony amongst employer and employee of the corporation.

## Hypothesis

1. HRM practices vary due to corporate working environment in different countries.
2. Multinational corporations generally adopt the philosophy which they inherit from their parent country.
3. Multicultural workforce get inherit variance of performance due to their ethnic and cultural background.
4. The success of any multination corporate depends upon the adjustability of their strategies according to place, time and speed dimension.
5. Experience vs. young blood which should have the priority to remain at the helm of affair of multinational corporations.

## Primary Data

The survey is conducted in Samsung Engineering and construction division New Delhi India in October 2010. The data was collected from 100 employees through a well designed questionnaire. The respondents are manager, Assistant manager and Executives position holders the sample is selected by simple random sampling method. They were mustered a close ended questionnaire.

## Secondary data

The researcher Reviewed of the published data, Internet website, Journals, Magazines and other published and unpublished thesis.

Details of distribution of Parameters in the samples:-

S. No	Parameter	No of individuals in sample
1	<b><u>Sex distribution</u></b>	
	Males	80
	Female	20
2	<b><u>Status distribution</u></b>	
	Manager	30
	Assistant manager	30
	Executive	40
3	<b><u>On the basis of Nationality</u></b>	
	Indian	75
	Korean	25
4	<b><u>Income distribution</u></b>	
	Above 1 lac	15
	10,000 – 50,000	30
	50,000 – 20,000	40

### Analysis

Questions are put up as:

Q1 How do you perceive about diversity?

- Diversity in a workplace and its challenge
- potential to influence your organization
- effect positively
- Effect negatively
- global outlook

**Table 1 Perception about diversity**

Stat-us	Diversity in workplace and its challenge	Potential to influence your organization	Effect positively	Effect negatively	Global outlook
Man-ager	8	4	0	3	15
Assist-ant man-ager	9	5	5	8	3
Exec-utive	11	8	15	1	5
100 sam-ple	28	17	20	12	23

### Explanation

A manager recognizes that diversity helps in global outlook. Out of thirty

respondents fifteen agrees on it. While eight express their favor that diversity in a workplace is challenge. Three managers thought that diversity is having impact on the growth of the company. Whereas four managers thought that diversity is having a potential to influence your organization. While nine Assistant managers out of thirty respondent views that diversity in a workplace is challenge and managing diversity is more than simply acknowledging differences in people. While eight assistant managers agree that diversity effect negatively in the growth or productivity of team five respondents put their statement that diversity effect positively in the workplace. Five respondents thought that diversity helps in influencing the organization and last three respondents thought that diversity is global outlooks which assist in fusion of cultures and increasing employee productivity for the benefit of both the organization and the country. In case of Executives out of forty respondent fifteen agree that diversity effect positively helps in increasing market opportunities, creativity and business image. Eleven respondents say that it is a challenge and eight express that diversity is a potential to influence the organization. Five executives thought that diversity helps in globalization of organization where as one respondent thought that diversity can lower the productivity of team by effecting negatively.

Kelli A green, Mayra Lopez expresses their opinion about the perception of diversity:-

“<sup>7</sup>Organization employing a diverse workforce can supply a greater variety of solutions to problems in service, sourcing and allocation of resources. Employees from diverse background bring individual talents and experience suggesting ideas which are relating to market and customer's demand. Establishing and managing diversity in the workplace has become a challenge in today's organization. The company has the ability to acknowledge, accept, value and recognize the worth by

celebrating many differences which exist in the people”.

Q2 Weather different ethnic groups have different multicultural workforce diversity impact of which can be visible in:-

- Employees performance
- Employees interpersonal relation
- Working philosophy
- Communication and reporting system
- Delegation of authority

**Table 2 Impact of diverse ethnic group**

Stat- us	Empl- oyees performan ce	Employee s interperso nal Relation	Work- ing philosoph y	Comm- unicati on and reporti ng system	Delegati on of authority
Man- ager	10	3	2	12	3
Assis- tant man- ager	10	2	1	11	6
Exec- utive	8	12	10	7	3
100 sam- ple	28	17	13	30	12

### Explanation

Out of the total thirty managers twelve manager think that communication and reporting system is majorly affected by the different or diverse ethnic groups, where as ten respondents view that it is employees performance which cause lack of productivity in the organization where as two respondent thought it is working philosophy which is affected by the diverse ethnic workforce. Three respondents thought that diverse ethnic groups affect the interpersonal relation of employees where as three managers express their opinion that delegation of authority among the diverse workforce is difficult .In the case of assistant manager out of the thirty samples eleven agrees with the manager’s view that communication and reporting system suffer badly by the diverse

groups while ten states that employees performance and six assistant manager say that delegation of authority among the different ethnic work group is a major problem. Two respondents thought that interpersonal relationship among the employees is suffer by the diverse ethnic workforce and rest one respondent mark their view on the working philosophy. Whereas executives who are constantly in touch with the lower level of employees i.e.( supervisors floor men ) out of forty respondents twelve agrees on the view of employees interpersonal relation and ten executive believes that every individual is having different working philosophy which ultimately affect the productivity of the team. Eight respondents give their favor to employee performance and three on delegation of authority while remaining seven executives thought that communication is the key for success which is heavily affected by the multicultural workforce.

“<sup>8</sup>In an article titled Developing Receiver Centered Communication in Diverse Organizations written by **judi brownell** explains that meanings of messages can never be completely shared because no two individuals experience events in exactly the same way. Even when native and non native speakers when exposed to the same message, they may interpret the information differently. It is necessary for employees who are less familiar with the primary language spoken within the organization need special attention in meeting their communication requirement. In high context cultures, communicators share a experiences which can be used to assign meanings to messages. Low context cultures, on the other hand provide little information on which to base common understanding and so communicators must be prompted”.

Q3 Impact of diversity at workplace. Mark one strong impact according to your choice?

- a) Increased adaptability
- b) Broader service range
- c) Variety of viewpoints or skill
- d) More executive execution
- e) Enhancing productivity

**Table 3 Impact of diversity**

Status	Increased adaptability	Broader service range	Variety of Viewpoints or skills	More effective execution	Enhancing productivity
Manager	7	5	8	1	9
Assistant manager	7	5	9	4	5
Executive	8	5	10	6	12
100 sample	22	15	27	10	26

**Explanation**

Out of thirty managers nine believe that diversity helps in enhancing the productivity of team members where as eight managers believe that variety of different viewpoints and skills help in increasing the team creativity and opening the new market where as five respondents put their rank on broader service range and remaining one expresses the mark on the more effective execution and rest seven respondents thought that diversity helps in increasing the adoptability. Whereas out of thirty assistant managers nine think that diversity helps in bringing the variety of viewpoints in the workplace while seven respondents think that diversity helps in increasing the adoptability and four put their mark on effective execution. While five respondents thought that diversity helps in broader service range and remaining five assistant managers view that diversity helps in enhancing productivity of team. In the case of executives out of forty samples twelve believes that multicultural workforce helps in enhancing the productivity of team while ten executives

thought that different viewpoints or skills bring the global outlook in the organization and eight executives favored increased adoptability while five respondents put their mark on broader service range and rest six executives thought that diversity helps in the more effective executive of work due to the different skills.

An article from Human resource journal.

<sup>9</sup>27% of employees believe that employing a diverse team means having a variety of viewpoints. If you hired all middle aged, suburban white American's men you would have only the perspective of middle aged suburban white American's men. However if your team is composed of European entry level women. Elderly men from Mexico, middle aged African women and young men from Asia, you should have a team with varied experiences and perspective that can benefit a company.

Q4 Different work culture environment has different values towards women employees mark your rank.

- a) Respect to women
- b) Women are equal treated as equal
- c) Appointment in higher position
- d) Capacities to face challenge
- e) Gender discrimination gives dissatisfaction

**Table 4 Attitude towards Women**

Status	Respect to women	Women are equal treated as equal	Appointment in higher position	Capacities to face challenge	Gender discrimination
Manager	10	7	5	5	3
Assistant manager	7	13	4	2	4
Executive	8	14	7	3	8
100 sample	25	34	16	10	15

**Explanation**

Ten respondents out of thirty samples believe that respect to women is essential where

as five believe in appointing in higher position but three managers thought that gender discrimination give dissatisfaction in the workforce at the workplace while seven managers thought that women are equal in the workplace and remaining five managers express their opinion that women are capable in facing the challenges. Out of thirty Assistant managers thirteen think that women are equal and treated as equal but seven thought that merely respect to women is sufficient while only two could say women are capable in facing the challenges and four assistant managers put their mark in appointing higher position, rest four respondents thought that gender discrimination demotivate the employees and give dissatisfaction. In the case of Executives out of forty fourteen respondents agree with the view of assistant managers that women are equal and be treated as equal. Eight executives dislike gender discrimination which disturbs the peace in the workplace whereas eight executives thought that respect should be given to the women and seven respondent say's that there must be no discrimination in delegation of authority ,remaining three executives put their mark on capacities in facing the challenge.

“<sup>10</sup>Women are equal and be treated as equal in the workplace. Discrimination towards women in the workplace becomes visible in a variety of ways ranging from sexual harassment to exclusion of women from the “old boys club” where major decisions are made. Thus, in spite of the massive entry of women in the workplace and the increasing numbers of women in mid – level managerial positions, top level positions remain as elusive to women even today. A decade ago working in a world dominated by male as decision makers due to their established practices, women encounter a variety of barrier.”

Q5 Which factors are more responsible for discrimination among the employees?

a) Culture b) Religion c) Regional preference  
d) Social status e) Economic status

**Table 5 Discrimination Impact**

Status	Culture	Religion	Regional preference	Social Status	Economic Status
Manager	12	7	5	4	2
Assistant manager	5	12	9	2	2
Executive	15	7	6	8	4
100 sample	32	26	20	14	8

### Explanation

Out of thirty respondents twelve managers believe that culture factor is responsible for discrimination where as seven managers thought that religion is vitally responsible for discriminating the employees while five respondents thought that regional preference is still exist in the society and remaining two manager's thought that discrimination exists in the workplace due to economic status. Whereas out of thirty assistant managers twelve thought that religion is important factor in the diversification of employees while nine are of the opinion that regional preference is mostly responsible for discrimination. Two respondents thought that social status creates differences among the employees and five assistant managers' express their view on culture discrimination remaining two respondents put their mark on economic discrimination. Out of forty executives fifteen executives agree with the manager's view that culture is major factor in discrimination while four executives thought economic status can be major factor of discrimination on the other hand seven executives thought that religion discrimination can adversely affect the growth of the organization whereas six respondents agree with regional preferences and remaining four respondents put their mark on economic status.

“<sup>11</sup>Culture can play a vital role when it comes to serious disagreements. Long ago, culture was interpreted to mean the special achievements of a nation in art, music and architecture now a day's culture can be defined as a system of mutual belief, religion common practice and norm which vary from one nation or religion to another”.

### Model building

Model building helps in finding the impact of multicultural workforce.

#### 1) Perception about diversity

Legends:-

- a** = Diversity in a workplace is challenge
- b** = potential to influence your organization
- c** = Effect positively Effect
- d** = negatively
- e** = Global outlook

Symbolically =  $a+b+c+d+e$  = Perception about diversity

In numerical form =  $28+17+20-12+23$

**Perception about diversity A= 76**

#### 2) Diverse ethnic groups

Legends:-

- a** = Employees performance
- b** = Employees interpersonal relation
- c** = Working philosophy
- d** = Communication & reporting system
- e** = Delegation of authority

Symbolically =  $a+b+c+d+e$  = Diverse ethnic groups

In numerical form =  $28+17+13+30+12$

**Diverse ethnic group B = 100**

#### 3) Impact of diversity

Legends:-

- a** = Increased adaptability
- b** = Broader service range
- c** = variety of view point or skill
- d** = More effective execution
- e** = Enhancing productivity

Symbolically =  $a+b+c+d+e$  = Impact of diversity

In numerical form =  $22+15+27+10+26$

**Impact of diversity C = 100**

#### 4) Attitude towards Women

Legends:-

- a** = Respect to women
- b** = Women are equal treated as equal
- c** = appointment in higher position
- d** = capacities to face challenge
- e** = Gender discrimination

Symbolically =  $a+b+c+d+e$  = Attitude towards Women

In numerical form =  $25+34+16+10+15$

**Attitude towards Women D = 100**

#### 5) Discrimination impact

Legends:-

- a** = Culture **b** = Religion
- c** = Regional preference
- d** = Social status **e** = Economic status

Symbolically: -  $a+b+c+d+e$  = Discrimination impact

In numerical form =  $32+26+20+14+8$

**Discrimination impact E = 100**

#### Impact of multicultural diversity

$A+B+C+D+E$   $76+100+100+100+100$

**Impact of multicultural diversity = 476**

### DISCUSSION

#### Diversity can lower productivity

Culture diversity can have both positive and negative impact on team productivity while diversity can vastly improve productivity via increased creativity, better understanding of the problem, better solutions, better decisions and increased effectiveness. Actual Productivity can be expressed as:-

<sup>12</sup>Actual productivity of diverse team = Homogenous team productivity + gains due to diversity – losses due to faulty management process.

Cultural diversity causes management problem for most managers who would like to be culturally blind i.e. doing not acknowledge cultural difference. Diversity creates lack of Cohesion multicultural teams often have different views of the problem team members often go on debating about the problem statement. In the process a diverse team will gain a rich insight but fail to agree on the problem definition.

This problem can be caused to three basic factors:-

Mistrust: - Culturally diverse team members often tend to have lower level of trust when compared to homogenous teams. A natural human tendency is to work closely with members of their own culture and not to trust people who are from different culture.

Miscommunication: - Multicultural team is forced to communicate in a common language it's usually the language of the dominant group. It can be either in English, Korean or Hindi etc. This implies that there are members in the team for whom the communicating language is not their native tongue.

Work stress: - Miscommunication & Mistrust can create significant work stress on team members. Once team members are aware that there is a possibility of error in inner team communications, then all decision making problem analysis and deductions are at risk. This creates an enormous stress on employees. Diversity causes problems but the diversity creates competitive advantages. Few global firms have realized the advantages of culture diversity and have fully embraced it. US based firms such as Intel, Cisco, HP, Microsoft; Oracle etc have become truly multicultural. These companies have learnt to overcome the problems of diversity. But for companies which

are just starting out in this workforce diversity, the challenges are daunting.

## CONCLUSION

The Phenomenon of work force diversity has been studied in relevance to social mingling theory which clearly reveals that it is a mixed bundle of positive and negative factors, which have their pull and push effects. In this study also the same phenomenon has been confirmed. The efforts have been made to add the amendment of realizing and identifying the optimum point. The factorization in quantitative terms has shown the conducive and retarding factors. Efforts have been made to increase the strength of the conducive factors lay intervening some new inputs of incentives ,putting right person at the right job, changing the attitude & aptitude filling the deficiencies of low morals and poor results by introducing work ethics of trusteeship ones owner and enjoyer of benefits . A Korean way of management which is not purely western or eastern but a blend of best of the two emerged in a new form shape and color. It has been put to test in Samsung LG Hyundai and have pruned successful identification of optimum point and restricting the elements to bring it to equilibrium and retaining optimum stage for a longer period. In the theory's contribution this study has universal appeal without any relevance to time, space and speed dimensions.

## Areas for further research

- Managing changes diversity and emotions.
- Managing a multicultural workforce good intention often fall short in today's world.
- Managing cultural diversity implications for organization effectiveness.

## ACKNOWLEDGMENT

I am heartily thankful to my supervisor, Prof. Shakoor Khan, whose



encouragement guidance and support from the initial to the final level enabled me to develop an understanding of the subject. Lastly I offer my regards to my husband who supported me in any respect during the completion of the project.

#### REFERENCES

1. Arun Kottolli 2006 "Managing Diversity for high performance".
2. Aparna joshi and Susan E Jackson "Managing workforce diversity to enhance cooperation in organization".
3. Donatus I Amaram (2007) "Cultural diversity implications for workplace management" (Virgina State University).
4. Davie fl ( 1996) Managing a changing workforce achieving outstanding service with today's employees by loy SK bob
5. Judi Brownell e cornell University
6. Kelli A Green, Mayra lopez, Allen Wysocki and Karl Kepner "Diversity in the workplace benefits challenges and the required managerial tools" (University of Florida).
7. Miriam Vaughn-lee, Vaughlee & associates "a supervisor guide to managing a diverse workforce".
8. Multi culture Diversity - wikepedia, the free encyclopedia.
9. Romano (1995) "Managing changes Diversity and emotions".